

1 Ethan Preston (263295)  
 PRESTON LAW OFFICES, LLC  
 2 1658 North Milwaukee Avenue, No. 253  
 (312) 492-4070 (phone)  
 3 (312) 262-1007 (facsimile)  
 ep@eplaw.us

4 David C. Parisi, Esq. (162248)  
 5 Suzanne Havens Beckman, Esq. (188814)  
 PARISI & HAVENS LLP  
 6 15233 Valleyheart Drive  
 Sherman Oaks, California 91403  
 7 (818) 990-1299 (phone)  
 (818) 501-7852 (facsimile)  
 8 dcparsi@parisihavens.com  
 shavens@parisihavens.com

9 *Attorneys for Plaintiffs Timothy DuFour and*  
 10 *Kenneth Tanner, on their own behalves*  
 11 *and on behalf of all others similarly situated,*

12 **IN THE UNITED STATES DISTRICT COURT**  
 13 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

14 TIMOTHY DuFOUR and KENNETH  
 TANNER, individuals, on their own behalves No.  
 and on behalf of all others similarly situated,

15 Plaintiffs, **CV 09-3770** CLASS ACTION COMPLAINT

16 v.

17 BE., LLC, DYNAMIC SHOWCASES, LLC,  
 18 California limited liability companies,  
 MONTEREY FINANCIAL SERVICES, INC.,  
 19 MTS HOLDINGS GROUP, INC., California  
 corporations, 1901 CO., a Nevada corporation,  
 20 BE MARKETING LIMITED, a private limited  
 company registered in England and Wales,  
 21 ERIK DeSANDO, BARRY FALCK, JACOB  
 STEINBECK, VITALY RASHKOVAN, and  
 22 DOES 1-100, inclusive,

23 Defendants.

24 **CLASS ACTION COMPLAINT**

25 Plaintiffs Timothy DuFour ("DuFour") and Kenneth Tanner ("Tanner"), by their  
 26 attorneys, make this complaint against Defendants Be., LLC ("Be LLC"), Dynamic  
 27 Showcases, LLC ("Dynamic Showcases"), Monterey Financial Services, Inc. ("Monterey"),  
 28 MTS Holdings Group, Inc. ("MTS"), 1901 Co., Be Marketing Ltd. ("Be UK"), Erik DeSando

Class Action Complaint

**FILED**  
 AUG 17 2009  
 RICHARD W. WIEKING  
 CLERK, U.S. DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA

**CRB**

1 (“DeSando”), Barry Falck (“Falck”), Jacob Steinbeck (“Steinbeck”), Vitaly Rashkovan  
 2 (“Rashkovan”), and Does 1 to 100, (collectively, “Defendants”). Plaintiffs’ allegations are  
 3 based on information and belief, except to their own actions, which are based on knowledge.

#### 4 **Nature of the Claim**

5 1. This class action arises from Defendants’ operation and participation in an  
 6 enterprise known variously as “Be Productions,” “My Talent Service,” “My Artist’s Place,”  
 7 “Be Entertainment,” “Gonnabe,” and/or “Gonnabe.com” (hereinafter referred to as “Be  
 8 Productions”). Be Productions purports to provide a variety of services to children, which its  
 9 agents implicitly and explicitly represent as facilitating the advancement of their customers’  
 10 careers in the entertainment industry. In exchange for an upfront fee (ranging in the thousands  
 11 of dollars), Be Productions purported to provide “discounts” for acting lessons and for access  
 12 to auditions for its customers before entertainment industry professionals, who could in turn  
 13 provide gainful employment in the entertainment industry.

14 2. Be Productions is an unregistered advance-fee talent service under the  
 15 definition of the Advance-Fee Talent Service Act (“AFTSA”) (Cal. Lab. Code §§ 1701-  
 16 1701.20). Be Productions’ contracts with its customers violate AFTSA and cannot be enforced  
 17 by Be Productions. *See* Cal. Lab. Code § 1701.4(d) (2009). Be Productions violated AFTSA  
 18 by (1) publishing false and/or misleading information about its prices and services; (2)  
 19 charging class members for registering or listing them as customers; (3) referring class  
 20 members to third parties for a variety of services, where Defendants had a direct or indirect  
 21 financial interest in those third parties or accepted any compensation for the referral. Cal. Lab.  
 22 Code § 1701.12 (2009). The operation of Be Productions also violates the unfair competition  
 23 law (“UCL”) (Cal. Bus. & Prof. Code §§ 17200-17204). DuFour and Be Productions’ other  
 24 customers have been damaged by paying Be Productions fees under illegal contracts, for which  
 25 they did not receive the benefit of the bargain.

26 3. One of the best summaries of this case can be found in a newscast  
 27 investigation into Be Productions by the ABC affiliate station for San Francisco. *See* KGO-  
 28

1 TV, *Complaints over East Bay talent agency's business*, at [http://abclocal.go.com/kgo/story?](http://abclocal.go.com/kgo/story?section=news/7_on_your_side&id=6345835)  
 2 [section=news/7\\_on\\_your\\_side&id=6345835](http://abclocal.go.com/kgo/story?section=news/7_on_your_side&id=6345835) (Aug. 23, 2008). In this newscast, Be  
 3 Productions' denial that AFTSA applies to it is directly and explicitly contradicted by the  
 4 California state senator who wrote AFTSA:

5 [California State Senator Sheila Kuehl] wrote a powerful state law to regulate  
 6 [these types of talent companies.] The law is Section 1701 of the California  
 7 Labor Code. It says talent companies that charge an advance fee must follow  
 8 lots of rules . . .

9 "We are not governed by 1701," says Be Productions owner Erik Desando.  
 10 Desando says Be Productions, formerly known as My Artist's Place, does  
 11 charge fees up front and does help kids get into show business, but it is not an  
 12 advance fee talent service. . . . "Those things you're talking about, they're being  
 13 done, but they're being done by outside companies, not ours. So, in other words,  
 14 (if) you want to meet an agent through us, you can't meet an agent through us.  
 15 You have to meet an agent through the showcase company we contract with,"  
 16 says Desando. . . .

17 ABC7 legal analyst Dean Johnson says using outside vendors would not exempt  
 18 Be from the law . . . "They take an advance fee and for that fee you get access to  
 19 essentially everything that an artist would want to develop his or her career,"  
 20 says Johnson. "That is the kind of service that is exactly what the authors of the  
 21 talent service agencies statute intended to cover." ***The author [of AFTSA]***  
 22 ***agrees. "They do fall under the definition of advance fee talent agencies, so***  
 23 ***in and of itself, by not posting a bond they are violating the law," says State***  
 24 ***Sen. Kuehl. "We made the law very broad in order to snare these kinds of***  
 25 ***folks."*** We asked Desando if he could see why someone would think he would  
 26 fall under 1701. "Nope, not if they know our business," says Desando. "I've got  
 27 our own high priced attorneys there telling us, you're not, we don't sell talent  
 28 services." . . .

"This really smacks right into the advance fee talent services because it is  
 indirectly providing service to the talent," says Dean Fryer with the Labor  
 Commission. Still, Desando says, not me. . . .

(A true and correct copy of KGO-TV's transcript for the newscast is attached as Exhibit 1)  
 (emphasis added). DuFour and Tanner bring this Complaint as a class action brought on behalf  
 of persons who paid fees and/or contracted with Be Productions and agreed to pay fees to Be  
 Productions. DuFour and Tanner seek statutory damages, attorneys' fees, and injunctive and  
 equitable relief under AFTSA (Cal. Lab. Code § 1701.16) and restitution and injunctive and  
 equitable relief under the UCL (Cal. Bus. & Prof. Code § 17203) for the class.

4. Monterey acts to collect unpaid portions of Be Productions fees from Class  
 members. In the course of attempting to collect these fees, Monterey violates or threatens to  
 violate the Fair Debt Collection Practices Act ("FDCPA") (15 U.S.C. §§ 1692-1692p), the

1 Rosenthal Fair Debt Collection Practices Act (“RFDCPA”) (Cal. Civ. Code §§ 1788-1788.33),  
 2 and California’s Consumer Credit Reporting Agencies Act (“CCRAA”) (Cal. Civ. Code §§  
 3 1785.1-1785.36). These practices have caused DuFour, Tanner, and other class members actual  
 4 damages in the form of declined and reduced credit, forced purchase of credit reports and  
 5 credit monitoring, postage and private courier costs, mileage, long-distance telephone charges,  
 6 lost cell phone airtime, emotional distress, increased credit costs, and amounts paid to settle  
 7 fraudulent debts. DuFour and Tanner also seek actual damages, statutory damages, attorneys’  
 8 fees, and injunctive and equitable relief, where applicable, under the FDCPA (15 U.S.C. §  
 9 1692k(a)), CCRAA (Cal. Civ. Code § 1785.31), RFDCPA ( Cal. Civ. Code § 1785.33) and the  
 10 UCL (Cal. Bus. & Prof. Code § 17203) for a subclass of persons from whom Monterey has  
 11 sought to collect unpaid portions of Be Productions’ fees.

#### Parties

13 5. Plaintiff Timothy DuFour is a natural person residing in Granada Hills,  
 14 California.

15 6. Plaintiff Kenneth Tanner is a natural person residing in North Hollywood,  
 16 California.

17 7. Defendant Be., LLC is a California limited liability company which now lists  
 18 its address with the California Secretary of State as 2029 Century Park East, Suite 900, Los  
 19 Angeles, California 90067. Be LLC is the corporate predecessor to My Artist’s Place, LLC.  
 20 Until May 2009, Be LLC maintained its headquarters in Emeryville, California.

21 8. Defendant Monterey Financial Services, Inc. is a California corporation. It  
 22 maintains its headquarters at 4095 Avenida De La Plata, Oceanside, California 92056.

23 9. Defendant Dynamic Showcases, LLC is a California limited liability  
 24 company which lists its address with the California Secretary of State as 1841 N Avenue 52,  
 25 Los Angeles, California 90042.

26 10. Defendant MTS Holdings Group, Inc. is a California corporation. It lists its  
 27 headquarters address with the California Secretary of State as 545 Banning Street, Compton,  
 28

1 California 90222.

2 11. Defendant Be Marketing Limited is a private limited company organized  
3 under the laws of England and Wales. Be UK lists its registered address with the Registrar of  
4 Companies for England and Wales as 57 Woody Close, Delves Lane, County Durham, Consett  
5 DH8 7HN, United Kingdom. Be UK's registered company secretary is Bournemouth Limited,  
6 which lists its address as Palm Grove House PO Box 438, Road Town, Tortola, British Virgin  
7 Islands. Be UK does business in California, but has not registered with the California  
8 Secretary of State.

9 12. Defendant 1901 Co. is a Nevada corporation. 1901 Co. lists its address with  
10 the California Secretary of State as Caracasbaaiweg 199, Curaçao, Netherlands Antilles.

11 13. Defendants Erik DeSando, Barry Falck, Jacob Steinbeck are natural persons  
12 who are, on information and belief, members or managers of Be LLC and residing in  
13 California.

14 14. Defendant Vitaly Rashkovan is a natural person who is MTS's authorized  
15 agent for service of process. On information and belief, Rashkovan is the owner and an officer  
16 of MTS, and resides in California.

17 15. Plaintiffs are currently ignorant of the true names and capacities, whether  
18 individual, corporate, associate, or otherwise, of the defendants sued herein under the fictitious  
19 names Does 1 through 100, inclusive, and therefore, sues such defendants by such fictitious  
20 names. Plaintiffs will seek leave to amend this complaint to allege the true names and  
21 capacities of said fictitiously named defendants when their true names and capacities have  
22 been ascertained. Plaintiffs are informed and believe and based thereon alleges that each of the  
23 fictitiously named Doe defendants is legally responsible in some manner for the events and  
24 occurrences alleged herein, and for the damages suffered by Plaintiffs.

25 16. Plaintiffs are informed and believe and based thereon alleges that all  
26 Defendants, including the fictitious Doe defendants, were at all relevant times acting as actual  
27 agents, conspirators, ostensible agents, partners and/or joint venturers and employees of all  
28

1 other defendants, and that all acts alleged herein occurred within the course and scope of said  
 2 agency, employment, partnership, and joint venture, conspiracy or enterprise, and with the  
 3 express and/or implied permission, knowledge, consent, authorization and ratification of their  
 4 co-defendants; however, each of these allegations are deemed "alternative" theories whenever  
 5 not doing so would result in a contraction with the other allegations.

### 6 **Jurisdiction and Venue**

7 17. Plaintiffs DuFour and Tanner assert a claim under 15 U.S.C. § 1692k(a).  
 8 This Court has subject matter jurisdiction under 15 U.S.C. § 1692k(a) and 28 U.S.C. § 1331.

9 18. Defendants Be LLC, Dynamic Showcases, Monterey, and MTS are  
 10 California entities which have their principal place of business in California, and can only be  
 11 citizens of California. Defendant Be UK is a foreign entity whose principal place of business  
 12 is, on information and belief, in California. Defendant 1901 Co. is a Nevada corporation with  
 13 its principal place of business in the Netherlands Antilles, and can only be a citizen of Nevada.  
 14 Defendants Erik DeSando, Barry Falck, and Jacob Steinbeck are natural persons and are  
 15 alleged to reside in California, and are alleged to be citizens of California. This Complaint  
 16 alleges claims on behalf of a proposed class whose members reside in California and  
 17 throughout the other forty-nine states and U.S. territories. The members of the proposed class  
 18 are minimally diverse from the Defendants. On information and belief, the aggregate of the  
 19 amount in controversy in these class claims exceed the sum or value of \$5 million and the total  
 20 number of class members exceeds 100. This Court has subject matter jurisdiction over this  
 21 case under 28 U.S.C. § 1332(d)(2).

22 19. This Court has personal jurisdiction over the Defendants under California  
 23 Code of Civil Procedure section 410.10 because, *inter alia*, the acts alleged herein were  
 24 committed in Alameda County.

25 20. Venue is also proper before this Court under 28 U.S.C. § 1391(a)(2), (c).

### 26 **Intradistrict Assignment**

27 21. A substantial part of the events which give rise to the claim occurred in  
 28

1 Alameda County. Under Local Rule 3-2(c), (d), this civil action should be assigned to the San  
2 Francisco or Oakland division of the Northern District of California.

3  
4 **Allegations as to Plaintiff's Individual Claims**

5 22. Tanner and DuFour entered into a contract ("Contract") with Be Productions  
6 on February 5, 2009 and March 7, 2009, respectively. (A copy of these Contracts, which are  
7 true and correct except for redactions by counsel under Federal Rule 5.2, are attached as  
8 Exhibits 2 and 3.)

9 23. Be Productions marketed its services using a promotional pamphlet. Be  
10 Productions marketed and provided certain services via its website at <http://www.gonnabe.com>  
11 (hereinafter, "Gonnabe.com"). The Contract itself, the promotional pamphlet, Gonnabe.com,  
12 Be Productions' other written marketing materials, and statements by Be Production's agents,  
13 implicitly and explicitly stated that Be Productions' services would facilitate the advancement  
14 of the career of Plaintiffs' children in the entertainment industry.

15 24. The promotional pamphlet marketed three different packages or service  
16 level: the "Superstar," the "Movie Star," and the "Guest Star." Tanner purchased the "Guest  
17 Star" package for \$2,520. DuFour purchased the "Movie Star" package for \$3,000.

18 25. Tanner made an initial payment to Be Productions of \$325. Monterey  
19 withdrew four monthly payments of \$208.38 from Tanner's bank account for March, April,  
20 May, and June. A total of \$1,500 was debited from DuFour's bank account under the Contract:  
21 one payment to Be Productions in March 2009 and three other monthly payments to Monterey,  
22 in April, May, and June 2009. Plaintiffs' children did not receive income from professional  
23 employment in the entertainment industry prior to paying these fees. Plaintiffs' children have  
24 not obtained income from professional employment in the entertainment industry.

25 26. In exchange for Plaintiffs' payments, Be Productions purportedly arranged  
26 for discounts on Be Production's service providers' fees. The availability of the purported  
27 "discounts" varied by the service level purchased by the customer. (*See* Ex. 3.) These services  
28 included "Talent Showcase[s,]" which were auditions with agents, managers, and casting

1 directors. The "Showcase Registration Fee" was \$50 per audition, although the promotional  
2 pamphlet indicated the value of the registration was \$6,500.

3 27. The promotional pamphlet also listed additional fees for maintaining a  
4 profile on Gonnabe.com. Other discounted services included acting, modeling, and singing  
5 workshops/lessons, photoshoots, duplicate photos, and professional "evaluation."

6 28. Be Productions "consolidated" its operations in or about May 2009: in  
7 practice, this apparently means that Be Productions closed down its local operations in several  
8 California cities, and turned over servicing its customers to "My Talent Services." The  
9 consolidation has dramatically disrupted customers' Be Productions' services and the  
10 availability of its employees. Prior to the "consolidation," Be Productions maintained its  
11 headquarters at 5900 Hollis Street, Suite R2, Emeryville, California 94608. After the  
12 consolidation, Plaintiffs were no longer able to contact the Be Productions Talent Director  
13 assigned to manage their children's careers, and have not received many of the services  
14 promised under the Contracts.

15 29. In late June or early July 2009, Tanner canceled Monterey's authorization to  
16 debit Be Productions fees from his bank account. Beginning on or about July 6, Monterey  
17 began to call Tanner virtually daily to dun him for unpaid Be Productions fees. Monterey  
18 represents it will adversely affect Tanner's credit, implying that it will report the unpaid  
19 portion of Be Productions' fees as a valid debt to the national credit reporting agencies  
20 (including TransUnion, Experian, and Equifax) ("CRAs"). Monterey has not sent Tanner  
21 written notice consistent with 15 U.S.C. § 1692g(a).

22 30. In the middle of June 2009, DuFour canceled the Monterey's authorization  
23 to deduct Be Productions fees from his bank account. Beginning on or about July 11, 2009,  
24 Monterey began to call DuFour virtually daily to dun him for unpaid Be Productions fees.  
25 Monterey represents it will ruin DuFour's credit, and intimates it will report the unpaid portion  
26 of Be Productions' fees as a valid debt to the national CRAs. Monterey has not sent DuFour  
27 written notice consistent with 15 U.S.C. § 1692g(a).

### Allegations as to Class Certification

31. **Class Definition:** Plaintiffs seek to certify a class and a subclass under Federal Rule 23(b)(2) and 23(b)(3). Plaintiffs bring this Complaint against Defendants on behalf of themselves and the class (the "Class") of

- (a) persons who, on behalf of a minor or themselves, entered into a contract with Be Productions (or any of its corporate successors or predecessors) which required payment in return for Be Productions' services at any time when such payments exceeded the minors' income from employment in the entertainment industry; except
- (b) not any person who is i) any Judge or Magistrate presiding over this action and members of their families; ii) Defendants, their subsidiaries, parents, successors, predecessors, and any entity in which the Defendants or their parents have a controlling interest, and current or former employees, officers and directors of Defendants; iii) persons who properly execute and file a timely request for exclusion from the class; iv) and the legal representatives, successors or assigns of any such excluded persons.

Members of the Class may be notified of the pendency of this action by email, mail, and/or supplemented (if deemed necessary or appropriate by the Court) by published notice. Members of the Class can be readily identified from Defendants' records.

32. **Subclass Definition:** Plaintiffs bring this Complaint against Defendants on behalf of themselves and a subclass (the "Subclass") of Class members who have received communications from Monterey seeking to collect unpaid portions of Be Productions' fees and/or threatening their credit, or stating or implying that Monterey will report the unpaid portions of Be Productions' fees as a valid debt to any of the CRAs.

33. **Class Numerosity:** The exact number of members of the Class is unknown and is not available to Plaintiffs at this time, but such information is readily ascertainable by Defendants. Gonnabe.com indicates that it has over 6,000 registered users. On this basis, Plaintiffs therefore believe that members of the Class number in the thousands. Therefore, individual joinder of all members of the Class is likely to be impracticable.

34. **Subclass Numerosity:** The exact number of members of the Class is unknown and is not available to Plaintiffs at this time, but such information is readily ascertainable by Defendants. As there are likely thousands of Class members, and it is likely

1 that a significant portion of those have not fully paid Be Productions' fees, individual joinder  
2 of all members of the Subclass is likely to be impracticable.

3 35. **Class Commonality:** Common questions of fact and law exist as to all  
4 members of the Class and predominate over the questions affecting only individual members  
5 of the Class. Identification of the individuals who qualify as a member of the Class will be  
6 sufficient to establish liability to the Class member. These common questions include whether:

- 7 (a) one or more of the Defendants are advance-fee talent services, under the  
8 definition of California Labor Code subsection 1701(a);
- 9 (b) Be Productions' contracts violated California Labor Code subsection  
10 1701.4;
- 11 (c) any of the Defendants charged Class members for providing auditions;
- 12 (d) any of the Defendants charged Class members for registering or listing  
13 them for employment in the entertainment industry, or as a customer of  
14 Be Productions;
- 15 (e) any of the information regarding Be Productions' services or prices  
16 which any of the Defendants caused to be published was false,  
17 fraudulent, or misleading information;
- 18 (f) any of the Defendants referred Class members to third parties who  
19 charged the Class members for auditions, for listing for employment in  
20 the entertainment industry or as a customer, or for headshots,  
21 photographs, acting, singing, modeling, or dancing lessons, and a  
22 Defendant had a direct or indirect financial interest in the third party, or  
23 accepted any compensation from the third party for the referral;
- 24 (g) any of Defendants' conduct violated Cal. Lab. Code § 1701.12;
- 25 (h) any of Defendants aided and abetted violations of Cal. Lab. Code §  
26 1701.12 by the other Defendants;
- 27 (i) the Defendants entered into a civil conspiracy to violate of Cal. Lab.  
28 Code §§ 1701.4 or 1701.12;
- (j) Defendants' conduct violated Cal. Bus. & Prof. Code § 17200; and
- (k) Plaintiffs and other members of the Class are entitled to damages, costs,  
injunctive relief, and attorneys' fees.

36. **Subclass Commonality:** In addition to the common questions of fact and  
law pertaining to the Class, common questions of fact and law exist as to all members of the  
Subclass and predominate over the questions affecting only individual members of the

Subclass. Identification of the individuals who qualify as a member of the Subclass will be sufficient to establish liability to the Subclass member. These common questions include whether:

- (a) Monterey knew or should have known that Be Productions' contracts were not enforceable;
- (b) Monterey communicated to Subclass members without sending written notice consistent with 15 U.S.C. § 1692g(a);
- (c) Monterey has threatened or implied that it would report unpaid sums on Be Productions' contracts as valid debts to the CRAs, so that the Be Productions contracts would impact Subclass members' credit reports;
- (d) Monterey's conduct violated 15 U.S.C. § 1692g(a);
- (e) Monterey's conduct violated 15 U.S.C. § 1692e(8);
- (f) Monterey's conduct violated Cal. Civ. Code § 1788.17;
- (g) Monterey's conduct violated or threatened to violate Cal. Civ. Code § 1785.25(a);
- (h) Monterey failed to maintain and follow procedures reasonably adapted to avoid any unintentional violation of 15 U.S.C. § 1692e; and
- (i) Plaintiff and other members of the Subclass are entitled to damages, costs, injunctive relief, and attorneys' fees.

37. **Typicality:** Plaintiffs' claims are typical of the claims of the other members of the Class and Subclass, respectively. Plaintiffs are not different in any relevant way from any other member of the Class or Subclass, and the relief they seek is common to the Class and Subclass.

38. **Adequate Representation:** Plaintiffs will fairly and adequately represent and protect the interests of the other members of the Class and Subclass; their interests do not conflict with their respective interests. Plaintiffs have retained counsel competent and experienced in complex class actions, and they intend to prosecute this action vigorously.

39. **Predominance and Superiority:** The Class and Subclass alleged in this Complaint is appropriate for certification because class proceedings are superior to all other available methods for the fair and efficient adjudication of this controversy, since joinder of all members is impracticable. The damages suffered by each individual member of the Class and

Subclass will likely be relatively small, especially given the burden and expense of individual prosecution of the complex litigation necessitated by Defendants' actions. It would be virtually impossible for members of the Class and Subclass individually to obtain effective relief from Defendant's misconduct. Even if members of the Class and Subclass themselves could sustain such individual litigation, it would still not be preferable to a class action, because individual litigation would increase the delay and expense to all parties due to the complex legal and factual controversies presented in this Complaint. By contrast, class actions present far fewer management difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single Court. Economies of time, effort, and expense will be fostered and uniformity of decisions will be ensured.

40. **Generally Applicable Policies:** This class action is also appropriate for certification because Defendants have acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole, and to the Subclass as a whole. The policies of the Defendants challenged herein apply and affect members of the Class and Subclass uniformly, and Plaintiff's challenge of these policies hinges on Defendants' conduct, not on facts or law applicable only to Plaintiff.

#### **Allegations as to Class Claims**

41. On information and belief, the Contracts signed by the Plaintiffs are the same as the contracts signed by all of the other Class members in all material respects. On information and belief, Be Productions' representations (in its promotional pamphlet and other written material, Gonnabe.com, and its agents' statements) about its services to Plaintiffs are the same as the representations made to the other Class members in all material respects. Plaintiff's children and the other Class members' children sought to become actors, models, or other professional entertainers through Be Productions. Class members paid Be Productions fees of thousands of dollars prior to earning any income in the entertainment industry.

42. **AFTSA Applies to the Class Members:** AFTSA defines an artist to

1 include any person who seeks to become an actor (on stage or in motion pictures), musical  
 2 artists, models, and other artists or persons rendering professional services in motion picture,  
 3 theatrical, radio, television, and other entertainment enterprises. Cal. Lab. Code § 1701(c)  
 4 (2009). Plaintiffs' children and the children of other Class members are artists under AFTSA.

5       43.       **AFTSA Applies to the Fees Paid By Class Members:** AFTSA defines an  
 6 "advance fee" as any fee due from an artist prior to the artist obtaining actual employment as  
 7 an artist or that exceeds the actual earnings received by the artist as an artist. Cal. Lab. Code §  
 8 1701(a) (2009). Plaintiffs and the other Class members paid an advance fee under AFTSA.

9       44.       **AFTSA Applies to Be Productions:** AFTSA defines an "advance fee talent  
 10 service" is any person who

11                   charges, attempts to charge, or receives an advance fee from an artist for . . . the  
 12 following . . . or for the purchase of any other product or service . . . in order to  
 13 obtain from or through the service one or more of the following: [p]rocur[ing],  
 14 offering, promising, or attempting to procure employment, *engagements, or*  
 15 *auditions* for the artist, *[m]anaging or directing the development or*  
 16 *advancement of the artist's career as an artist . . . [or] [c]areer counseling,*  
 17 *career consulting,* vocational guidance, aptitude testing, *evaluation,* or  
 18 *planning*, in each case relating to the preparation of the artist for employment  
 19 as an artist.

20 Cal. Lab. Code § 1701(b) (2009). As alleged in more detail below, Be Productions charged  
 21 Class members advance fees and, in exchange, provided services that were expressly and  
 22 implicitly marketed as improving a child's opportunities for professional success in the  
 23 entertainment industry. Each of the Defendants played a distinct role in the conduct of the Be  
 24 Productions enterprise. Each of the Defendants' participation in the Be Productions enterprise  
 25 has brought them within AFTSA's scope. Each of the Defendants' role in the enterprise is  
 26 described in turn below.

27       45.       **Be LLC:** On information and belief, Be LLC is the counterparty to Class  
 28 members' contracts. Every class members' contract contains the disclaimer "that none of the  
 offerings of Be. include any promise or guarantee of employment in the entertainment industry  
 . . ." (Exs. 2 and 3.) This disclaimer would be an unnecessary *non sequitur*, unless Be LLC  
 expressly marketed its services as facilitating career advancement in the entertainment

1 industry. In exchange for these services, Be LLC received advance fees from Class members.

2 46. Be LLC charges Class members advance fees for procuring auditions for  
3 their children. Be LLC provided Talent Directors which administered Class members' use of  
4 Be Productions service providers and arranged for Class members' children to qualify for the  
5 Talent Showcases. On information and belief, Be LLC used some of the advance fees it  
6 received to pay these Talent Directors for these services.

7 47. Be LLC charges Class members advance fees for its services, which are paid  
8 in order to obtain, through Be LLC, the offer and/or promise that other Defendants would  
9 procure auditions for them. Be LLC's marketing materials clearly describe the showcases as  
10 auditions, aimed at advancing Class members' careers in the entertainment industry:

11 We have sped up the *process of auditioning for agents and managers* by doing  
12 live showcases via high definition videoconferencing. . . . You may not be  
13 related to the top entertainment industry insiders by birth, but through  
14 membership in Be, you can enjoy access to the industry's best agents,  
managers, celebrities as well as easy entry into our own locally produced TV  
shows.

15 Be LLC's instruction manual also expressly and unambiguously describes the showcases as  
16 auditions:

17 Talent showcases are your opportunity to interview with several of these  
18 professionals at once with the goal of gaining representation. *Showcases give  
you a chance to experience a real audition.*

19 (A true and correct excerpt of Be LLC's instruction manual is attached as Exhibit 4) (emphasis  
20 added).

21 48. Be LLC explicitly uses the Gonnabe.com website to market its services (on,  
22 for instance, its contracts). Gonnabe.com explicitly and implicitly marketed Be LLC's services  
23 as providing access to agents and managers who could provide Class members with  
24 employment in the entertainment industry:

25 Be. Provide's [sic] a proven game plan in which *the artist gets to work with top*  
26 *entertainment pros that who will prepare them to be evaluated by top agents,*  
27 *managers and casting directors* in San Francisco and Hollywood. If you've  
28 been told your child has talent, and *you want to get their career launched in the*  
*entertainment industry*, you've come to THE right place. Remember there are a  
lot of things you will need to prepare before you can get started in TV, film and  
commercials! Here at BE, we'll help you with the details of everything you'll

1 need to know.

2 (A true and correct copy of Gonnabe.com's foregoing statement is attached as Exhibit 5)  
 3 (emphasis added). In the same breath as it disclaims responsibility for obtaining employment  
 4 for Be Productions members, Gonnabe.com touts Be Productions' role in providing access to  
 5 agents and managers who can provide employment in the entertainment industry:

6 Are you an Agency?

7 NO, we are not an agency nor do we procure jobs for our members. *However,*  
 8 *we are the source for meeting 100's of agents, managers, casting directors, and*  
*producers that are responsible for signing and helping our members work each*  
*year.*

9 49. Moreover, Be LLC charges Class members advance fees for its services,  
 10 which are paid in order to obtain, through Be LLC, management or direction of Class  
 11 members' careers in the entertainment industry, and/or evaluation or consulting on those  
 12 careers. Be LLC's promotional pamphlet indicates "Head to Toe EVALUATION" was one of  
 13 Be Productions' services (whose value was listed "PRICELESS.") Be LLC's instruction  
 14 manual expressly described :

15 [Agents attending the Talent Showcases] complete a thorough evaluation of  
 16 your child's talent and email it to you, stating you child's strengths and the  
 17 actions that need to be taken in order to be represented by a manager or agent. . .  
 . You will gain access to and benefit from the opinions of top industry  
 professionals.

18 (Ex. 4.) Also, Gonnabe.com also describes Be Productions as

19 a multifaceted organization designed to give young artists the resources,  
 20 services, experience and exposure that they need *in order to succeed in the*  
*entertainment industry. . . .* Be's management team is headed by entertainment  
 21 industry veterans with deep knowledge and expertise in casting, production and  
 talent management, *giving the company an insider's perspective on Hollywood.*

22 50. As part of these services, Be Productions purports to conduct "screentests"  
 23 prior to enrolling its members. Gonnabe.com represents that Be Productions' screentests are  
 24 selective:

25 Are all the children selected from the screentest?

26 Unfortunately no. Only a small percentage of the children screened, meet the  
 27 industry profile that top agents, talent managers and casting directors are  
 looking for.

28 Be Productions' purported selectivity contributes to its customers' belief that they may be

1 successful in the entertainment industry, and prompts them to invest more in their potential  
 2 career (and specifically to spend more on Be Productions). On information and belief,  
 3 however, Be Productions' screentests were not determined by a customer's likelihood of  
 4 professional success, but financial ability to pay. One disgruntled Be Productions ex-employee  
 5 has stated in a public Internet forum that:

6  
 7 They conduct at several 'callbacks' a day and break them down into small  
 8 groups to make you feel like there was a cut and they conduct screen tests  
 EVERY week! They call EVERYONE back as long as when you filled out the  
 form at the screen test your income level fit the bill.

9 (A true and correct excerpt containing the foregoing statement is attached as Exhibit 6.)

10 51. **DeSando:** DeSando is listed on Gonnabe.com as Be Production's CEO. The  
 11 Better Business Bureau's entry on Be Productions indicates that Be Productions is a part of a  
 12 pattern of dubious business practices: "Our past experience with Mr. Desando's [previous]  
 13 companies has been that the companies failed to obtain and maintain licenses required by the  
 14 State, and some developed complaint patterns alleging misrepresentation of services." On  
 15 information and belief, DeSando is a manager and/or member of Be LLC.

16 52. **Falck:** Falck is listed on Gonnabe.com as Be Productions' COO. On  
 17 information and belief, Falck is a manager and/or member of Be LLC.

18 53. **Dynamic Showcases:** Dynamic Showcases charges Class members advance  
 19 fees for procuring auditions for Class members. Be LLC refers Class members to Dynamic  
 20 Showcases for auditions with casting agents, talent agents, and other entertainment industry  
 21 professionals. (See Ex. 4.) Dynamic Showcases charges Class members a fee for registering in  
 22 each showcase. (See *id.*) Be LLC's instructions manual unambiguously and express describes  
 23 the showcases as auditions, and indicates that Dynamic Showcases charged for these auditions:

24 Talent showcases are your opportunity to interview with several [agents, casting  
 25 directors, and/or managers] at once with the goal of gaining representation.  
 26 **Showcases give you a chance to experience a real audition.** You will gain  
 27 access to and benefit from the opinions of top industry professionals. Each  
 28 showcase has a \$25 registration fee. . . . DYNAMIC SHOWCASES wants every  
 member to have a chance to acquire an agent! . . . DYNAMIC SHOWCASES  
 works with top agents and managers, helping in the showcase process of  
 thousands of kids in the industry.

(Ex. 4.) Both the contract and the promotional pamphlet also discuss the fees for the talent showcases. (See Exs. 2, 3.)

54. **Be UK:** Be UK charges or attempted to charge Class members monthly advance fees for registering or listing the artist for employment in the entertainment industry or as a customer of Be UK, in order to procure or to attempt to procure employment from talent agents. Be UK purports to own and operate the Gonnabe.com website. Be UK contracts with Class members inside and outside of California through the Gonnabe.com.

55. Be UK solicits and charges Be Productions customers for a monthly fee for maintaining an account on Gonnabe.com, in order to market themselves to talent agents. Gonnabe.com explicitly solicits talent agents to browse its member profiles for potential actors: "Are You an AGENT Looking for Talent? Looking for talent for your next big production? CLICK HERE." This link leads to a webpage on Gonnabe.com that solicits entertainment industry professionals to provide employment for Be Productions members:

Looking for Talent?

Browse Our Talent

Would you like to look through all of our Talent to find just the perfect fit?

CLICK HERE

Talent Search

Looking for a specific criteria to meet your production needs? CLICK HERE

AGENT / CASTING AGENT Registration

Are you interested in using our talent for an upcoming role in a Movie, Television Show, or Commercial? Do you think one of our kids would be great for your professional print catalog or advertisement? Do you have a need for some incredible dancers in your next production? Are you an Agent and you are interested in representing one or more of our kids? CLICK HERE.

(A true and correct copy of Gonnabe.com's foregoing statement is attached as Exhibit 7.) The foregoing weblink leads to Gonnabe.com's database of Be Productions customers.

56. **Monterey:** Monterey receives advance fees Class members purportedly owe Be LLC (i.e., Be LLC's receivables). Where Class members have not paid Be Productions' fees in full, Monterey has acted to collect the fees from the Class members.

57. **Steinbeck and 1901 Co.:** Steinbeck and 1901 Co. have registered with the California Secretary of State security interests in "[a]ll of [Be LLC's] right, title and interest (whether presently existing or hereafter arising and wherever located) in and to all of the

1 personal property of [Be LLC.]” On this information and belief, Steinbeck and 1901 Co. have  
 2 loaned significant sums of money to Be LLC.

3 58. **MTS:** Since Be Production’s “consolidation,” MTS has begun to arrange  
 4 auditions and talent showcases for Be Productions’ customers, and refer them to Be  
 5 Productions service providers. Gonnabe’s main webpage explains MTS’s involvement in Be  
 6 Productions:

7  
 8 Due to the difficult economic conditions which have touched all of us, and the  
 9 need to improve and enhance the services and communications between Be.  
 10 LLC and its members we have restructured our operations. We have decided to  
 11 ask for assistance from “My Talent Services” (MTS) which is an independent  
 12 company that was contracted by Be LLC to provide the services to which our  
 13 members are entitled. . . . MTS will assist you with any questions regarding  
 14 showcasing, scheduling, event participation, talent improvement and lessons . . .

15 On information and belief, MTS refers Be Productions’ remaining customers to various service  
 16 providers and receives income from Be LLC through its arrangement with Be LLC.

17 59. **Rashkovan:** Rashkovan has registered “My Talent Services” as a fictitious  
 18 business name for MTS with the County of Los Angeles. This registration also lists Rashkovan  
 19 as the owner of MTS. On information and belief, Rashkovan is an owner and officer of MTS,  
 20 personally participated in or planned the conduct alleged herein, and receives income from Be  
 21 Productions in the form of distributions or salary from MTS. Rashkovan’s involvement with  
 22 Be Productions is not his first exposure to dubious business practices, either. In 1996,  
 23 Rashkovan was indicted in the Central District of California for conspiracy, multiple counts of  
 24 wire fraud and money laundering, under a criminal action titled *United States v. Adoniev*, No.  
 25 96-00977 (C.D. Cal.). Rashkovan pled guilty to the conspiracy charge and was sentenced to  
 26 three years in prison in 1998.

27 **FIRST CAUSE OF ACTION:**  
 28 **Declaratory Judgment Under 27 U.S.C. § 2201 Against All Defendants,**  
**by Plaintiffs Individually and on Behalf of the Class**

29 60. Plaintiffs incorporate by reference and reallege all paragraphs previously  
 30 alleged herein.

31 61. Be LLC is an advance-fee talent service, which charged and received  
 32 advance fees from Class members under the definitions of AFTSA.

62. Subsection 1701.4(a) of the California Labor Code requires contracts between advance-fee talent services and their customers to be in writing and to contain various elements. These elements include statements describing the services to be performed, when those services will be performed, and detailed, statutorily-mandated provisions regarding refunds and cancellation options. *Cf.* Cal. Lab. Code § 1701.4(a) (2009). Be LLC's contracts with the Class members do not contain the elements required by subsection 1701.4(a) above.

63. Where an advance-fee talent service's contract with its customer does not comply with subsection 1701.4(a), the contract is "voidable at the election of the artist and, in that case, shall not be enforceable by the advance-fee talent service." Cal. Lab. Code § 1701.4(d) (2009).

64. Be Productions' contracts' violations of subsection 1701.4(a) have caused Plaintiffs and the other Class members concrete, actual harm. Defendants and the Class have adverse legal interests, and there is a substantial controversy between the Class and Defendants of sufficient immediacy and reality to warrant the issuance of a declaratory judgment as to whether Be Productions' contracts are voidable at the Class members' options.

65. Plaintiffs, on their own behalf, and behalf of the other Class members, seek a declaratory judgment under 27 U.S.C. § 2201 that Be Productions' contracts violate subsection 1701.4(a) of the California Labor Code and are therefore unenforceable. Plaintiffs, on their own behalf, and behalf of the other Class members, seek to recover the costs of the action (including attorneys' fees) under Cal. Code Civ. Proc. § 1021.5.

**SECOND CAUSE OF ACTION:  
Violations of AFTSA Against All Defendants  
by Plaintiffs Individually and on Behalf of the Class**

66. Plaintiffs incorporate by reference and reallege all paragraphs previously alleged herein.

67. **Dynamic Showcases:** Dynamic Showcases is an advance-fee talent service under Subsection 1701(b)(1) of the California Labor Code, because it charges Class members advance fees for procuring auditions. Subsection 1701.12(i) prohibits advance-fee talent

1 services from charging or attempting to charge an artist for providing auditions for the artist.  
2 Dynamic Showcases violates subsection 1701.12(i).

3           68.       **Be UK:** Be UK is an advance-fee talent service under Subsection 1701(b)(1)  
4 of the California Labor Code, because it charges or attempts to charge Class members advance  
5 fees for listing Class member's children for employment in the entertainment industry or  
6 registering them as Be UK's customers, in order to procure or to attempt to procure  
7 employment from talent agents. Subsection 1701.12(e) prohibits advance-fee talent services  
8 from charging or attempting to charge an artist for registering or listing the artist for  
9 employment in the entertainment industry or as a customer of the advance-fee talent service.  
10 Be UK violates subsection 1701.12(e).

11           69.       **Be LLC:** Be LLC is an advance-fee talent service under Subsection 1701(b)  
12 of the California Labor Code, because it charges Class members advance fees for procuring  
13 auditions. Be LLC performed a significant portion of the work arranging Dynamic Showcases'  
14 auditions (including screening Class members for eligibility to participate in the auditions),  
15 and some portion of the fee it charged was attributable to that work.

16           70.       Be LLC is an advance-fee talent service under Subsection 1701(b) of the  
17 California Labor Code, because it charges Class members advance fees for its services, which  
18 are paid in order to obtain, through Be LLC, the offer or promise that Dynamic Showcases will  
19 procure auditions. Class members pay Be LLC in order to participate in Dynamic Showcases'  
20 auditions through Be LLC. On information and belief, Dynamic Showcases did not provide  
21 showcases to anyone but Be Productions customers.

22           71.       Be LLC is an advance-fee talent service under Subsection 1701(b) of the  
23 California Labor Code, because it charges Class members advance fees for its services, which  
24 are paid in order to obtain management or direction of Class members' careers in the  
25 entertainment industry, and/or evaluation or consulting on those careers, through Be LLC. As  
26 alleged above, Be LLC's marketing is replete with representations that it will facilitate the  
27 careers of its customers in the entertainment industry.  
28

1           72.           Subsection 1701.12(i) of the California Labor Code prohibits advance-fee  
2 talent services from charging or attempt to charge, directly or indirectly, an artist for providing  
3 auditions for the artist. Some portion of Be LLC's fees is attributable to arranging Dynamic  
4 Showcases' auditions (including screening Class members for eligibility to participate in the  
5 auditions). That portion of Be LLC's fees which is attributable to arranging Dynamic  
6 Showcases' auditions violates subsection 1701.12(i) of the California Labor Code.

7           73.           Subsection 1701.12(b) of the California Labor Code prohibits advance-fee  
8 talent services from publishing or causing to be published any false, fraudulent, or misleading  
9 information, representation, notice, or advertisement.

10           74.           Be LLC's representations regarding the Talent Showcases provided by  
11 Dynamic Showcases were misleading. Be LLC's affirmative representations about the value of  
12 those showcases were false, because Dynamic Showcases violated AFTSA charging an  
13 advance fee for auditions and could not legally charge any money for those auditions. Be  
14 LLC's other representations about the showcases were materially misleading, because they  
15 omitted this information. If the legality of Dynamic Showcases' fees and Dynamic Showcases'  
16 relationship with the other Defendants were accurately disclosed to Plaintiffs and the other  
17 Class members, they would not have paid Be LLC's fees.

18           75.           Be LLC's representations regarding Be UK and its fees were misleading. Be  
19 LLC's affirmative representations about the value of an account on Gonnabe.com were false,  
20 because Be UK violated AFTSA charging an advance fee for registering as Be UK's customer  
21 or listing Class members' children for employment in the entertainment industry. Be LLC's  
22 other representations about the showcases were materially misleading, because they omitted  
23 this information. If the legality of Be UK's fees and Be UK's relationship with the other  
24 Defendants were accurately disclosed to Plaintiffs and the other Class members, they would  
25 not have paid Be LLC's fees.

26           76.           Be LLC's representations about the exclusivity of its screentests were  
27 misleading. The success of a screentest was not determined by a customer's likelihood of  
28

1 professional success, but financial ability to pay. If the criteria for success in the screentests  
 2 were accurately disclosed to Plaintiffs and the other Class members, they would not have paid  
 3 Be LLC's fees.

4 77. Subsections 1701.12(j) and (k) of the California Labor Code prohibit  
 5 advance-fee talent services from referring customers to a third party who charges for providing  
 6 auditions, if the advance-fee talent service has a direct or indirect financial interest in the third  
 7 party, or accepts compensation for the referral from the third party. Be LLC refers Class  
 8 members to Dynamic Showcases for auditions. On information and belief, Be LLC receives  
 9 compensation from Dynamic Showcases for these referrals, or maintains a direct or indirect  
 10 financial interest in Dynamic Showcases. The KGO-TV newscast describes Dynamic  
 11 Showcases relationship with Be LLC's principals:

12 "[If] you want to meet an agent through us, you can't meet an agent through us.  
 13 You have to meet an agent through the showcase company we contract with,"  
 14 says Desando. . . . 7 On Your Side investigated and found the showcase  
 15 company that Be contracts with is Dynamic Showcases. State records show  
 16 ***Desando is the chief executive officer of Dynamic Showcases and Be co-***  
 17 ***owner Barry Falck is a principal executive.*** We reached Desando by phone. He  
 18 told us ***he did own Dynamic Showcases***, but in order to comply with Section  
 19 1701 he sold it to Barry Falck's son, Ryan Falck. "When we discovered we  
 20 couldn't own it, we sold it to Ryan, but he didn't follow through with the correct  
 21 state documents. We never made any money on the company, but we made a  
 22 deal," said Desando. Desando said he did not recall when the sale was made.  
 23 We checked and found ***Ryan Falck's name was added to the corporate***  
 24 ***documents in June after 7 On Your Side began asking questions.***

25 (Ex. 1) (emphasis added). These referrals violate subsections 1701.12(j) and/or (k) of the  
 26 California Labor Code.

27 78. Subsections 1701.12(j) and (k) of the California Labor Code prohibit  
 28 advance-fee talent services from referring customers to a third party who charges a registration  
 or listing fee, if the advance-fee talent service has a direct or indirect financial interest in the  
 third party, or accepts compensation for the referral from the third party. Be LLC refers Class  
 members to Be UK for listing for employment on Gonnabe.com. On information and belief,  
 Be LLC receives compensation from Be UK for these referrals, or maintains a direct or  
 indirect financial interest in Be UK. These referrals violate subsections 1701.12(j) and/or (k)

1 of the California Labor Code.

2           79.           Subsection 1701.12(h) of the California Labor Code prohibits advance-fee  
3 talent services from charging or attempting to charge, directly or indirectly, an artist for  
4 providing lessons, coaching, or similar training for the artist. Subsections 1701.12(j) and (k) of  
5 the California Labor Code prohibit advance-fee talent services from referring customers to a  
6 third party who charges for such lessons, if the advance-fee talent service has a direct or  
7 indirect financial interest in the third party, or accepts compensation for the referral from the  
8 third party.

9           80.           Be LLC referred Class members to Rising Stars and Blue Sky Studios for  
10 acting lessons and photography, respectively. On information and belief, Be LLC receives  
11 compensation for these referrals from Rising Stars and Blue Sky Studios. These referrals  
12 violate subsections 1701.12(j) and/or (k) of the California Labor Code.

13           81.           **DeSando, Falck and Steinbeck:** On information and belief, DeSando,  
14 Falck, and Steinbeck control and have caused the conduct of Be LLC alleged in this  
15 Complaint, and receive income from Be LLC in the form of distributions. On information and  
16 belief, they also control and have caused the conduct of Be UK and Dynamic Showcases  
17 alleged in this Complaint, and receive income from Be UK and Dynamic Showcases directly  
18 or indirectly.

19           82.           On information and belief, DeSando, Falck, and/or Steinbeck violate  
20 subsections 1701.12(j) and (k) of the California Labor Code causing Be LLC to refer Class  
21 members to Dynamic Showcases and Be UK as alleged above, and by having a direct or  
22 indirect financial interest in Dynamic Showcases and Be UK, or accepting compensation for  
23 the referrals.

24           83.           **MTS and Rashkovan:** MTS and Rashkovan refer Be Productions'  
25 remaining customers to various service providers. On information and belief, MTS and  
26 Rashkovan violate subsections 1701.12(j) and (k) of the California Labor Code by referring  
27 Class members to Dynamic Showcases and Be UK and by accepting compensation for the  
28

1 referrals. On information and belief, Rashkovan is an owner and officer of MTS, and receives  
2 this compensation from distributions or salary from MTS, which are derived from Be LLC's  
3 payments to MTS.

4           84.       **Aiding and Abetting:** In addition to the foregoing, each of the Defendants  
5 provides substantial and material assistance to the AFTSA violations alleged above. Be LLC  
6 markets its services alleged herein, solicits and contracts with Class members, and refers  
7 customers to Dynamic Showcases and Be UK. Be LLC also assisted Dynamic Showcases and  
8 Be UK by referring its customers to them. When it was in Emeryville, Be LLC also maintained  
9 an Easy Bay-area code fax number ((510) 899-6797) which it shared with Be UK. Be UK used  
10 the number for its agent for service of copyright-related complaints. (See Ex. 14.) Be LLC and  
11 Be UK also share a domain name, web hosting for Gonnabe.com, and an email server.

12           85.       Dynamic Showcases arranges, schedules, and conducts auditions for Class  
13 members. Be UK contributes to Be LLC's marketing efforts by operating Gonnabe.com.  
14 DeSando, Falck, and Steinbeck planned and personally participated in the conduct alleged in  
15 this paragraph through their control over Be LLC, Dynamic Showcases, and/or Be UK.

16           86.       **Monterey:** Monterey receives and collects advance fees purportedly due to  
17 Be LLC from Class members (i.e., Be LLC's receivables). Where Class members have not  
18 paid Be Productions' fees in full, Monterey has acted to collect the fees from the Class  
19 members. On information and belief, Be LLC has assigned its receivables to Monterey in  
20 exchange for a substantial loan. On information and belief, Monterey obtained very detailed  
21 information about the Be Productions operations alleged in this Complaint in the process of  
22 making this loan. On information and belief, this loan enabled Be LLC to continue and expand  
23 its operations.

24           87.       **Steinbeck and 1901 Co.:** On information and belief, Steinbeck and 1901  
25 Co. made a substantial loan to Be LLC in exchange for a security interest in Be LLC. On  
26 information and belief, Steinbeck and 1901 Co. obtained very detailed information about the  
27 Be Productions operations alleged in this Complaint in the process of making this loan. On  
28

1 information and belief, this loan enabled Be LLC to continue and expand its operations. On  
2 information and belief, Steinbeck and 1901 Co. receive income from Be LLC distributions or  
3 interest payments.

4 88. In the addition or alternative to the foregoing, each of the Defendant is  
5 jointly and severally liable to Plaintiffs and the other Class members for the other Defendants'  
6 AFTSA violations, because it aided and abetted those violations through its own conduct. Each  
7 of the Defendants had actual knowledge of the other Defendants' AFTSA violations, and its  
8 conduct gave substantial assistance to such violations as alleged above.

9 89. **Civil Conspiracy:** In the addition or alternative, each of the Defendants is  
10 jointly and severally liable to Plaintiffs and the other Class members for the other Defendants'  
11 AFTSA violations alleged herein, because it entered into a civil conspiracy with the other  
12 Defendants to violate AFTSA. Each of the Defendants agreed to a common plan or design to  
13 violate AFTSA as alleged herein, and participated through the conduct alleged above. Each of  
14 the Defendants had actual knowledge of the other Defendants' AFTSA violations, and  
15 intended to aid that conduct. Every violation of AFTSA by the other Defendants was in  
16 furtherance of this conspiracy. Each of the Defendants had an independent duty not to violate  
17 AFTSA, and each Defendant profited from the other Defendants' AFTSA violations alleged  
18 herein.

19 90. The violations of section 1701.12 of the California Labor Code alleged  
20 above have caused Plaintiffs and the other members of the Class damages. These damages  
21 include fees and charges which Class members would not have paid absent the violations  
22 alleged above.

23 91. Plaintiffs, on their own behalf, and behalf of the other Class members, seek  
24 to recover statutory damages, which "may be up to three times the damages actually incurred,  
25 but not less than the amount paid by the artist to the advance-fee talent service," in an amount  
26 to be determined at trial, as well as punitive damages, injunctive and equitable relief, and  
27 reasonable attorney's fees and costs under Cal. Lab. Code § 1701.16.  
28

**THIRD CAUSE OF ACTION:  
Violation of the UCL Against All Defendants  
by Plaintiffs Individually and on Behalf of the Class**

92. Plaintiffs incorporate by reference and reallege all paragraphs previously alleged herein.

93. Defendants' conduct alleged above is unlawful, and in violation of California Labor Code sections 1701.4 and 1701.12. Defendants' conduct alleged above is also unfair and fraudulent. Defendants' conduct violated Cal. Bus. & Prof. Code § 17200.

94. In the addition or alternative, each of the Defendant is jointly and severally liable to Plaintiffs and the other Class members for the other Defendants' UCL violations, because it aided and abetted those violations through its own conduct. Each of the Defendants had actual knowledge of the other Defendants' UCL violations, and its conduct gave substantial assistance to such violations as alleged above.

95. In the addition or alternative, each of the Defendants is jointly and severally liable to Plaintiffs and the other Class members for the other Defendants' UCL violations alleged herein, because it entered into a civil conspiracy with the other Defendants to violate the UCL. Each of the Defendants agreed to a common plan or design to violate the UCL as alleged herein, and participated through the conduct alleged above. Each of the Defendants had actual knowledge of the other Defendants' the UCL violations, and intended to aid that conduct. Every violation of the UCL by the other Defendants was in furtherance of this conspiracy. Each of the Defendants had an independent duty not to violate the UCL, and each Defendant profited from the other Defendants' UCL violations alleged herein.

96. Plaintiffs and the other Class members have been injured and have lost money and property as a result of Defendants' violations of Cal. Bus. & Prof. Code § 17200. These injuries include fees paid towards one or more of the Defendants.

97. Plaintiffs, on their own behalf, and behalf of the other Class members, seek to recover restitution, injunctive and equitable relief including a constructive trust under Cal. Bus. & Prof. Code § 17203, and the costs of the action (including attorneys' fees) under Cal. Code Civ. Proc. § 1021.5.

**FOURTH CAUSE OF ACTION:  
Violation of the FDCPA Against Monterey  
by Plaintiffs Individually and on Behalf of the Subclass**

98. Plaintiffs incorporate by reference and reallege all paragraphs previously alleged herein.

99. Plaintiffs and all the members of the Subclass are natural persons from whom Monterey seeks to collect Be Productions' fees, and are consumers under the meaning of 15 U.S.C. § 1692a(3).

100. Monterey maintains a website marketing its debt collection services to others:

Monterey has created the most effective and professional standards in managing and collecting debt. Our philosophy for recovering delinquent debt stems from customizing our collection procedures to meet our clients' needs, maintaining the most talented and skilled collectors in the industry, and strict quality assurance measures to protect the dignity of our agency and our clients. [] Our procedures are tailored to meet the needs of our clients. Among our collection techniques, we offer skip tracing, letter series, unlimited phone calls, credit reporting, and many other services at no additional cost.

(A true and correct copy of the foregoing webpage is attached as Exhibit 8.) On information and belief, Monterey is acting as a debt collector for Be LLC with respect to unpaid fees purportedly owed by Subclass members. Monterey is a debt collector under the meaning of 15 U.S.C. § 1692a(6) with respect to the Subclass members.

101. Monterey has communicated with DuFour and the other Subclass members, but has failed to provide, within five days of such communication, written notice as required under 15 U.S.C. § 1692g(a). Such written notice must include

(1) the amount of the debt;

(2) the name of the creditor to whom the debt is owed;

(3) a statement that unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector;

(4) a statement that if the consumer notifies the debt collector in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector; and

(5) a statement that, upon the consumer's written request within the thirty-day period, the debt collector will provide the consumer with the name and address of the original creditor, if different from the current creditor.

Monterey's communications to the Subclass members without the above written notice violated 15 U.S.C. § 1692g(a).

102. Monterey knows or should know that all of the purported debts under Be Productions' contracts are invalid and those contracts are unenforceable under subsection 1701.4(d) of the California Labor Code. Monterey has nonetheless threatened to report those purported debts as valid debts to the CRAs. 15 U.S.C. § 1692e(8) prohibits "[c]ommunicating or threatening to communicate to any person credit information which is known or which should be known to be false . . ." 15 U.S.C. § 1692e(8) (2009). Monterey's threats to communicate information it should know to be false to the CRAs regarding the Subclass members is a false, deceptive, and misleading means of debt collection, and violated 15 U.S.C. § 1692e(8).

103. Monterey does not have a reasonable system in place to ensure that it avoids the foregoing FDCPA violations. Monterey's actions were not the result of a bona fide error and it failed to maintain reasonable procedures adapted to avoid such errors.

104. Plaintiffs and the other members of the Subclass have suffered actual injury as a result of Monterey's FDCPA violations. These injuries include declined and reduced credit, forced purchase of credit reports and credit monitoring, postage and private courier costs, mileage, long-distance telephone charges, lost cell phone airtime, emotional distress, increased credit costs, and amounts paid to settle fraudulent debts.

105. Plaintiffs, on their own behalf, and behalf of the other Subclass members, seek to recover from Monterey actual and statutory damages, in an amount to be determined at trial, and the costs of the action (including attorneys' fees) under 15 U.S.C. § 1692k.

**FIFTH CAUSE OF ACTION:  
Violation of the RFDCPA Against Monterey  
by Plaintiffs Individually and on Behalf of the Subclass**

106. Plaintiffs incorporate by reference and reallege all paragraphs previously

1 alleged herein.

2 107. Monterey is "debt collector" under the definition of the RFDCPA because  
3 it, "in the ordinary course of business, regularly, on behalf of [itself] or others, engages in debt  
4 collection." Cal. Civ. § 1788.2(c).

5 108. As alleged above, Monterey violated 15 U.S.C. §§ 1692g(a), 1692e(8).  
6 Consequently, Monterey also violated Cal. Civ. Code § 1788.17.

7 109. Plaintiffs and the other members of the Subclass have suffered actual  
8 injury as a result of Monterey's violation of Cal. Civ. Code § 1788.17. These injuries include  
9 declined and reduced credit, forced purchase of credit reports and credit monitoring, postage  
10 and private courier costs, mileage, long-distance telephone charges, lost cell phone airtime,  
11 emotional distress, increased credit costs, and amounts paid to settle fraudulent debts.

12 110. Plaintiffs, on their own behalf, and behalf of the other Subclass members,  
13 seek to recover from Monterey actual or statutory damages, in an amount to be determined at  
14 trial, and the costs of the action (including attorneys' fees) under Cal. Civ. Code §§ 1788.17,  
15 1788.30.

16  
17 **SIXTH CAUSE OF ACTION:**  
18 **Violation of the UCL Against Monterey**  
19 **by Plaintiffs Individually and on Behalf of the Subclass**

20 111. Plaintiffs incorporate by reference and reallege all paragraphs previously  
21 alleged herein.

22 112. Monterey's conduct alleged above is unlawful, and in violation of 15  
23 U.S.C. §§ 1692g(a), 1692e(8) and Cal. Civ. Code § 1788.17. Monterey's conduct alleged  
24 above is also unfair and fraudulent. Monterey's conduct violates Cal. Bus. & Prof. Code §  
25 17200.

26 113. Plaintiffs and the other Subclass members have been injured and have lost  
27 money and property as a result of Monterey's violations of Cal. Bus. & Prof. Code § 17200.  
28 These injuries include include declined and reduced credit, forced purchase of credit reports  
and credit monitoring, postage and private courier costs, mileage, long-distance telephone

1 charges, lost cell phone airtime, increased credit costs, and amounts paid to settle fraudulent  
2 debts.

3 114. Plaintiffs, on their own behalf, and behalf of the other Subclass members,  
4 seek to recover restitution, injunctive and equitable relief including a constructive trust under  
5 Cal. Bus. & Prof. Code § 17203, and the costs of the action (including attorneys' fees) under  
6 Cal. Code Civ. Proc. § 1021.5.

7  
8 **SEVENTH CAUSE OF ACTION:**  
9 **Violation of the CCRAA Against Monterey**  
10 **by Plaintiff Individually and on Behalf of the Subclass**

11 115. Plaintiffs incorporate by reference and reallege all paragraphs previously  
12 alleged herein.

13 116. TransUnion, Experian, and Equifax are consumer credit reporting agencies,  
14 under the meaning of Cal. Civ. Code § 1785.3(d).

15 117. The CCRAA prohibits persons from furnishing information on specific  
16 transactions "to any consumer credit reporting agency if the person knows or should know the  
17 information is incomplete or inaccurate." Cal. Civ. Code § 1785.25(a).

18 118. Monterey knows or should know that all of the purported debts under Be  
19 Productions' contracts are invalid and those contracts under unenforceable under subsection  
20 1701.4(d) of the California Labor Code. Monterey has nonetheless threatened to report those  
21 purported debts as valid debts to the CRAs, which it should know to be false information.

22 119. The CCRAA provides that: "[i]njunctive relief shall be available to any  
23 consumer aggrieved by . . . a threatened violation of this title whether or not the consumer  
24 seeks any other remedy under this section." Cal. Civ. Code § 1785.31(b).

25 120. Monterey's threatened violation of Cal. Civ. Code § 1785.25(a) threatens  
26 actual damages to Plaintiffs and the other members of the Subclass, including declined and  
27 reduced credit, forced purchase of credit reports and credit monitoring, postage and private  
28 courier costs, mileage, long-distance telephone charges, lost cell phone airtime, emotional  
distress, increased credit costs, and amounts paid to settle fraudulent debts.

121. Plaintiffs, on their own behalf, and behalf of the other Subclass members, seek to recover injunctive and equitable relief, and the costs of the action (including attorneys' fees) under Cal. Civ. Code § 1785.31.

WHEREFORE, Plaintiffs Timothy DuFour and Kenneth Tanner pray that the Court enter judgment and orders in their favor and against Be., LLC, Be Marketing Ltd., Monterey Financial Services, Inc., 1901 Co., MTS Holdings Group, Inc., Erik DeSando, Barry Falck, Jacob Steinbeck, Vitaly Rashkovan, and Does 1 to 100 as follows:

- (a) An order certifying the Class, directing that this case proceed as a class action, and appointing DuFour and Tanner and their counsel to represent the Class;
- (b) An order certifying the Subclass, and appointing DuFour and Tanner and their counsel to represent the Subclass;
- (c) Damages against Defendants in an amount up to three times the damages actually incurred, but not less than the amount paid by the Class members to Defendants;
- (d) Equitable and injunctive relief providing for a constructive trust and prohibiting Defendants from continuing their violations of the AFTSA and UCL;
- (e) Statutory damages against Monterey pursuant to the FDCPA and the RFDCPA in favor of the Subclass;
- (f) Equitable and injunctive relief enjoining Monterey from future violations of the FDCPA, RFDCPA, and CCRAA in favor of the Subclass;
- (g) An order granting costs and attorneys' fees; and
- (h) Such other and further relief as this Court may deem appropriate.

Dated: August 14, 2009

By: 

Ethan Preston (263295)  
PRESTON LAW OFFICES, LLC  
1658 North Milwaukee Avenue, No. 253  
(312) 492-4070 (phone)  
(312) 262-1007 (facsimile)  
ep@eplaw.us

David C. Parisi, Esq. (162248)  
Suzanne Havens Beckman, Esq. (188814)  
PARISI & HAVENS LLP  
15233 Valleyheart Drive  
Sherman Oaks, California 91403

(818) 990-1299 (phone)  
(818) 501-7852 (facsimile)  
dcparsi@parisihavens.com  
shavens@parisihavens.com

*Attorneys for Plaintiffs Timothy DuFour  
and Kenneth Tanner*

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**JURY TRIAL DEMAND**

Plaintiffs hereby demand a trial by jury of all issues so triable.

Dated: August 14, 2009

By: 

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(312) 492-4070 (phone)  
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PARISI & HAVENS LLP  
15233 Valleyheart Drive  
Sherman Oaks, California 91403  
(818) 990-1299 (phone)  
(818) 501-7852 (facsimile)  
dcparsi@parisihavens.com  
shavens@parisihavens.com

*Attorneys for Plaintiffs Timothy DuFour  
and Kenneth Tanner*

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## EXHIBIT 1

7 ON YOUR SIDE 

## Talent agency's business practices questioned

Friday, August 22, 2008



**EMERYVILLE, CA (KGO) -- You may have seen them in the shopping malls -- talent scouts asking if your child wants to be on TV. 7 On Your Side Investigates an East Bay talent agency.**

7 On Your Side has received complaints from several people saying they thought their kids were auditioning for jobs, then were hit up for money. What we found is that there are more laws governing talent companies than you may think.

The pitch starts with a card handed out to consumers at shopping malls around the Bay Area. The card states that Be Productions of Emeryville is now casting for TV shows.

Story continues below

Advertisement

Hundreds of would-be stars responded, like these families.

"Your child's so cute and we're holding this audition and why don't you come bring her and we'll see what happens," says Pamela Roney, a Walnut Creek customer.

After the audition and a callback, families found out this all came at a price -- as much as \$4,400 up front.

"I was ready to go... well both my daughters broke out in tears and wore me down and I finally agreed to do it," says Roney. "But in retrospect, I'm very happy I did."

For the fee, kids get discount prices on services like singing classes, photo shoots, auditions and a chance to appear in two shows produced by Be.

Some parents said they're happy. Others have regrets.

"But then I got slammed with the price," says Sandra Flores.

Sandra Flores signed a \$4,000 contract for her daughter. Corina Flores, no relation to Sandra, signed a \$3,000 contract for her son.

"After I came home, my reality kicked me in

the butt," says Corina Flores. "I can't do it. I can't afford it."

Both women called the company right away to cancel. Be said no because Sandra and Corina both failed to cancel in writing within three days as required by the contract.

So what are consumers' rights? If this is an ordinary contract, they are probably out of luck.

However, 50s' child star Zelda Gilroy says it is not ordinary. If you like TV reruns, you might recognize the feisty Gilroy from the old Dobie Gillis TV show. What does she have to do with this? Gilroy grew up to be powerful State Senator Sheila Kuehl and she wrote a powerful state law to regulate the type of talent companies that scout clients in public places.

"These people seem to be drawing you in. They'll go to the mall and they'll say you should be on television or your kid should be on television, just sign up with us and pay us a fee," says Kuehl. "We called them in the law, 'advance fee talent agencies' to separate them out because these people were charging a fee up front for services they hadn't provided yet."

The law is Section 1701 of the California Labor Code. It says talent companies that charge an advance fee must follow lots of rules, such as:

- Register with the state
- Post a \$10,000 bond
- Give consumers 10 days to cancel in writing
- Refund all money if the artist does not get the expected services
- Cannot profit from referring clients to classes

"We are not governed by 1701," says Be Productions owner Erik Desando.

Desando says Be Productions, formerly known as My Artist's Place, does charge fees up front and does help kids get into show business, but it is not an advance fee talent service. He says Be doesn't actually provide the talent services like photo shoots, singing lessons and auditions. Rather, his company uses outside contractors. His company is more like a club.

"Those things you're talking about, they're

being done, but they're being done by outside companies, not ours. So, in other words, (if) you want to meet an agent through us, you can't meet an agent through us. You have to meet an agent through the showcase company we contract with," says Desando.

But 7 On Your Side investigated and found the showcase company that Be contracts with is Dynamic Showcases. State records show Desando is the chief executive officer of Dynamic Showcases and Be co-owner Barry Falck is a principal executive.

We reached Desando by phone. He told us he did own Dynamic Showcases, but in order to comply with Section 1701 he sold it to Barry Falck's son, Ryan Falck.

"When we discovered we couldn't own it, we sold it to Ryan, but he didn't follow through with the correct state documents. We never made any money on the company, but we made a deal," said Desando.

Desando said he did not recall when the sale was made.

We checked and found Ryan Falck's name was added to the corporate documents in June after 7 On Your Side began asking questions.

Be's other main contractor is Rising Stars, a school that provides acting, singing and dancing lessons. Be is linked to that company, too, providing videos for Rising Stars. Desando tells us he does not make any money from those videos so there is no conflict.

ABC7 legal analyst Dean Johnson says using outside vendors would not exempt Be from the law, anyway.

"They take an advance fee and for that fee you get access to essentially everything that an artist would want to develop his or her career," says Johnson. "That is the kind of service that is exactly what the authors of the talent service agencies statute intended to cover."

The author agrees.

"They do fall under the definition of advance fee talent agencies, so in and of itself, by

not posting a bond they are violating the law," says State Sen. Kuehl. "We made the law very broad in order to snare these kinds of folks."

We asked Desando if he could see why someone would think he would fall under 1701.

"Nope, not if they know our business," says Desando. "I've got our own high priced attorneys there telling us, you're not, we don't sell talent services."

Be started in Southern California. The Better Business Bureau of Los Angeles gives the company an "F" rating, mostly because it is operating without a license or registration.

"They're accepting fees in advance without the proper bonding or registration for what looks to us like jobs. If you look at their flyer, it says casting now for these television shows," say Gary Almond with Better Business Bureau.

"This really smacks right into the advance fee talent services because it is indirectly providing service to the talent," says Dean Fryer with the Labor Commission.

Still, Desando says, not me.

"Sheila's reason for the 1701 is to take unscrupulous operators that overcharge for services because they make promises they can't keep. Let's get rid of those companies. Let's get 7 On Your Side out there. Let's get rid of them. I'm completely for it and I'll go along with you arm in arm, you and I," says Desando.

The Better Business Bureau received 26 complaints about Be, many saying they thought their kids were auditioning for TV, others had a hard time canceling. An Antioch woman won a small claims judgment against Be after she tried to cancel by phone and could not. Finally, after we got involved, Be let both Sandra Flores and Corina Flores out of their contracts and refunded almost all their money.

**Related link:**

[California Labor Code 1701](#)

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## EXHIBIT 2

**be** AGREEMENT  
We are an entertainment company that offers a membership comprised of a collection of resources, discounts and a support system designed to help individuals get started on a pathway to success.

Corporate Headquarters  
5900 Hollis Street, Suite R2, Emeryville, CA 94603 Tel: (510) 899-8785 [www.donnabe.com](http://www.donnabe.com)

Contract date: 2/5/2008

**CHILD  
INFORMATION**

First Name: Ken

Last Name: Tanner

**PARENT/  
GUARDIAN**

**MEMBERSHIP**

Membership Package: Guest Star

Form of Payment: 12 Month Financing

Check or CC # \_\_\_\_\_

Price: \$2,520.00 Down Payment: \$325.00 Payment Plan: 12 Month Financing

Membership is valid for 2 years. Expiration Date: 2/5/2011

Ongoing Training: \_\_\_\_\_ Amount Financed: \$2,195.00

\$25 fee on any NSF or "Stop Pay" check or declined credit/debit card payment. Maximum interest allowable by law will be charged on unpaid balances until collected.

By initiating below, I understand that the following discounted fees are required when attending workshops, photo shoots, and appearances from "be" service providers and are subject to change. These prices are per child.

Initial ☒ \$25.00 Instructor Fee per Acting Workshop  
☒ \$75.00 for 50 Duplicate Photos  
☒ \$25.00 Showcase Registration Fee  
☒ \$50.00 Word of Mouth Marketing  
☒ \$30.00 Ongoing Acting Workshop (per workshop)  
☒ \$25.00 Singing Program Workshop (per workshop)  
☒ \$25.00 Dance Program Workshop (per workshop)  
☒ \$25.00 Modeling Program Workshop

Purchaser acknowledges and agrees that none of the offerings of "be" include any promise or guarantee of employment in the entertainment industry, whether oral or written, expressed or implied. Parent/Guardian initials X \_\_\_\_\_

Our cancellation policy complies with section 1689.22 of the California Seminar Sales Act. You, the buyer, may cancel this transaction in writing by fax, email or post without any penalty or obligation, within three business days from the date of this transaction. See the Notice of Cancellation form on the reverse side for complete instructions for canceling. We will respond within 10 days following the notice by the Buyer of Cancellation. For inquiries, disputes, complaints, or if you have questions about returns, please call your local "be" office.

Parent/Guardian/Buyer signature(s) acknowledges and accepts the cancellation policy as stated above and the backside of this document.

(Be Team Director) \_\_\_\_\_ Print Name \_\_\_\_\_ Signature \_\_\_\_\_

(Parent/Guardian) \_\_\_\_\_ Print Name \_\_\_\_\_ Signature \_\_\_\_\_

(Buyer) \_\_\_\_\_ Print Name \_\_\_\_\_ Signature \_\_\_\_\_

(Date) \_\_\_\_\_ **be** sends emails with newsletters, updates, and specials. Please check here if you would like not to receive these emails. \_\_\_\_\_

CUSTOMER COPY

## Notice of Cancellation

Transaction Date: \_\_\_\_\_

You may cancel this transaction, without any penalty or obligation, within three business days from the above date. Business days are Monday through Friday excluding holidays.

If you cancel, any property traded-in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller, in substantially as good condition as when received, any goods delivered to you under the contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, a fee of \$25.00 per information referral kit and \$25.00 Be. Bag will be deducted from any potential refund.

\_\_\_\_\_  
(Buyer's Name)

\_\_\_\_\_  
(Child's Name)

### Cancellation Policy

Cancellation will be accepted upon your mailing, faxing, or hand-delivering, within three business days from the transaction date, a signed and dated copy of this cancellation notice to your local Be. office. Please see your Talent Director's card for local address and / or fax number.

### Refund Policy

You will be eligible to receive a refund upon you completing the above cancellation step and returning the information / referral kit via mail or hand delivery.

Reason of Cancellation:

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I, \_\_\_\_\_  
(Buyer's Signature)

hereby cancel this transaction on (Date) \_\_\_\_\_

For inquiries, disputes, complaints, or if you have questions about cancellations, please call you local Be. office.

Note: When sending the information / referral kit by mail, It is recommended that buyer send it by Certified Mail, so that the buyer's name is included in or on the package to insure proper account is credited.

Please call your local Be. Office for their business hours. Cancellation requests, information/referral kit, and Be. Bag returns may be hand delivered by appointment only with your Talent Director.

*Cancellations after 3 days will be at the sole discretion of Be.*

FOR OFFICE USE ONLY  
Information Referral Kit Received By \_\_\_\_\_

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## EXHIBIT 3

be

We are an entertainment company that offers a membership comprised of a collection of resources, discounts and a support system designed to help individuals get started on a pathway to success.

be AGREEMENT

Corporate Headquarters  
5900 Hollis Street, Suite R2, Emeryville, CA 94608 Tel: (510) 899-6780 [www.connatbe.com](http://www.connatbe.com)

Contract date: 3/7/2009

CHILD  
INFORMATION

[Redacted Child Information]

PARENT/  
GUARDIAN

First Name: Tim ✓

Last Name: DuFour



## MEMBERSHIP

Membership Package: Movie Star

Form of Payment: 8 Pay

Check or CC # \_\_\_\_\_ / \*\*\*\*-\*\*\*\*-\*\*\*\*-0017

Price: \$3,000.00 Down Payment: \$375.00 Payment Plan: 8 Pay

Membership is valid for 5 years. Expiration Date: 3/6/2014

Ongoing Training: \_\_\_\_\_ Amount Financed: \_\_\_\_\_

\$25 fee on any NSF or "Stop Pay" check or declined credit/debit card payment. Late payment interest shown by law will be charged on unpaid balances until collected.

By initiating below, I understand that the following discounted fees are required when attending workshops, photo shoots, and showcases from be service providers and are subject to change. These prices are per child.

- Initial ☒ \$25.00 Instructor Fee per Acting Workshop  
☒ \$75.00 for 50 Duplicate Photos  
☒ ~~\$25.00~~ Showcase Registration Fee \$50.00  
☒ \$50.00 Word of Mouth Marketing  
☒ \$30.00 Ongoing Acting Workshop (per workshop)  
☒ \$25.00 Singing Program Workshop (per workshop)  
☒ \$25.00 Dance Program Workshop (per workshop)  
☒ \$25.00 Modeling Program Workshop

Purchaser acknowledges and agrees that none of the offerings of be include any promise or guarantee of employment in the entertainment industry, whether oral or written, expressed or implied.

Parent/Guardian Initials X

Our cancellation policy complies with section 1689.22 of the California Seminar Sales Act. You, the buyer, may cancel this transaction in writing by fax, email or post without any penalty or obligation, within three business days from the date of this transaction. See the Notice of Cancellation form on the reverse side for complete instructions for canceling. We will respond within 10 days following the notice by the Buyer of Cancellation. For inquiries, disputes, complaints, or if you have questions about returns, please call your local be office.

Parent/Guardian/Buyer signature(s) acknowledge(s) and accept(s) the cancellation policy as stated above and the backside of this document.

R Whitman  
 (be Talent Director) Print Name  
JEANNE DUFOUR  
 (Parent/Guardian) Print Name  
JEANNE DUFOUR  
 (Buyer) Print Name

[Signature]  
 (Parent/Guardian) Signature  
[Signature]  
 (Buyer) Signature

(Date) 3/7/09 be sends emails with newsletters, updates, and specials. Please check here if you would like not to receive these emails. \_\_\_\_

ACCOUNTING COPY

## Notice of Cancellation

Transaction Date: \_\_\_\_\_

You may cancel this transaction, without any penalty or obligation, within three business days from the above date. Business days are Monday through Friday excluding holidays.

If you cancel, any property traded-in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller, in substantially as good condition as when received, any goods delivered to you under the contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, a fee of \$25.00 per information referral kit and \$25.00 Be. Bag will be deducted from any potential refund.

\_\_\_\_\_  
(Buyer's Name)

\_\_\_\_\_  
(Child's Name)

### Cancellation Policy

Cancellation will be accepted upon your mailing, faxing, or hand-delivering, within three business days from the transaction date, a signed and dated copy of this cancellation notice to your local Be. office. Please see your Talent Director's card for local address and / or fax number.

### Refund Policy

You will be eligible to receive a refund upon you completing the above cancellation step and returning the information / referral kit via mail or hand delivery.

Reason of Cancellation:

\_\_\_\_\_  
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I, \_\_\_\_\_  
(Buyer's Signature)

hereby cancel this transaction on (Date) \_\_\_\_\_

For inquiries, disputes, complaints, or if you have questions about cancellations, please call you local Be. office.

Note: When sending the information / referral kit by mail, it is recommended that buyer send it by Certified Mail, so that the buyer's name is included in or on the package to insure proper account is credited.

Please call your local Be. Office for their business hours. Cancellation requests, information/referral kit, and Be. Bag returns may be hand delivered by appointment only with your Talent Director.

*Cancellations after 3 days will be at the sole discretion of Be.*

**FOR OFFICE USE ONLY**

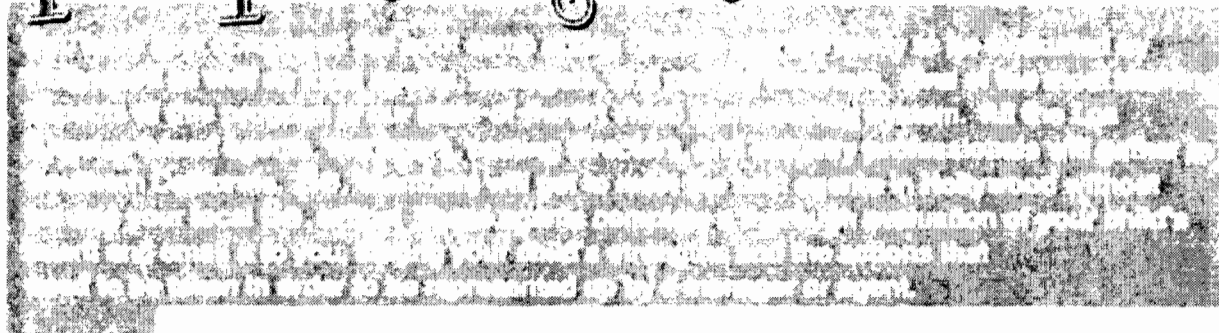
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## EXHIBIT 4

# Your Time to Shine

## SHOWCASE EVALUATION



Agents, casting directors and managers are always looking for new talent. Talent showcases are your opportunity to interview with several of these professionals at once with the goal of gaining representation. Showcases give you a chance to experience a real audition. You will gain access to and benefit from the opinions of top industry professionals. Each showcase has a \$25 registration fee.

## How to Prepare: DIRECTIONS

- Call the Be Hotline for the next showcase date. The Hotline will be provided by the scheduling department.
- Make 5 copies of the submission form (front or talent 30) on 110 lbs. white paperstock.
- Submission to include a photo.
- Send drop off to Be office 2 weeks in advance.
- Prepare a short, one-minute monologue or commercial spot.
- Practice, practice, practice! Watch yourself in front of the mirror or have mom and dad tape you.
- Each artist will audition individually. Sorry parents, you won't be allowed to watch the audition.
- Those evaluations will be mailed to you.
- The director will personally contact you if they are interested in representation.
- Submit your fees.
- Bring a smile.
- HAVE A BLAST!



## After the Showcase

- Agents and managers will offer helpful tips for improvement via mail.
- You can take this valuable feedback to your ongoing classes with Rising Stars.
- A customized class can be designed for you based on individual need.
- If you need clarification regarding the evaluation forms bring them to class with you, and your instructor will gladly explain them to you.
- If you do not receive an offer of representation, DON'T PANIC! Often times, it can take years of training, feedback, and showcasing - perseverance is the key to this business.
- DYNAMIC SHOWCASES wants every member to have a chance to acquire an agent!

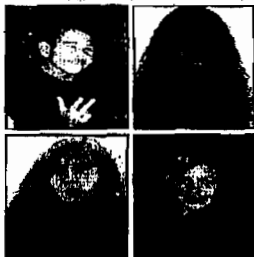
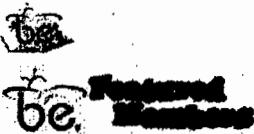
DYNAMIC SHOWCASES works with top agents and managers, helping in the showcase process of thousands of kids in the industry.



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## EXHIBIT 5

Home	TV Shows	Music	Film	Studios	About Be.	Customer Service	Talent Agents
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JMcMasters



KIDS | ADULTS

Username  Password  ☒ Remember me   
[Register](#) [Lost Password?](#)

### What is Be.?

Be. is a unique collection of resources for inspiring, developing, and enhancing the talent of young artists in the disciplines of acting, modeling, dance, singing, writing, beauty competitions and word of mouth marketing. Be. Provide's a proven game plan in which the artist gets to work with top entertainment pros that who will prepare them to be evaluated by top agents, managers and casting directors in San Francisco and Hollywood.

If you've been told your child has talent, and you want to get their career launched in the entertainment industry, you've come to THE right place. Remember there are a lot of things you will need to prepare before you can get started in TV, film and commercials!

Here at BE, we'll help you with the details of everything you'll need to know.

[CLICK HERE](#) to get a Screen Test and get started today!

### MORE FREQUENTLY ASKED QUESTIONS

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[\[Back\]](#)



ANDREW J.  
MARTIN

Christiana  
Steensma

Kristin  
Masterson

Amy Oliverio

Mary  
Oliverio

Jessica  
Snow

Adrianna  
Meir

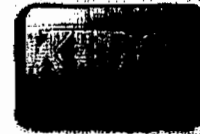
### Newest Members

### Most Popular

### Browse Members

### Sitemap

### Be's Kids Television Shows



### The BUZZ



Are You an AGENT Looking for Talent?  
Looking for talent for your next big production? [CLICK HERE](#)



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## EXHIBIT 6



## Rip-off Report

<b>Rebuttal Box</b> Respond to this report!	<b>Victim of this</b> person/company?	<b>Repair Your Reputation</b>	
<a href="#">File a Rebuttal</a>	<a href="#">File a Report</a>	<a href="#">Get Started</a>	 
<a href="#">WHAT'S THIS?</a>	<a href="#">WHAT'S THIS?</a>	<a href="#">WHAT'S THIS?</a>	

## Updates & Rebuttals:

### Correction

A [9/17/2008 1:44:59 PM]

**THEY ARE A BIIIIIGGGGGG SCAM!**

Jason Sullivan [1/5/2009 9:59:12 PM]

7 on your side did an expose on Be Productions in Fall 2008

Kay [5/24/2009 6:53:19 PM]

All past and present Be. Members

My Talent Service [6/19/2009 5:07:46 PM]

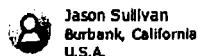


Submitted: 9/17/2008 1:44:59 PM  
Modified: 9/18/2008 8:07:38 AM

**Update by Author**

### Correction

CW belongs to CBS network, not ABC, so I retract my statement about ABC being in on the scam. But somebody must have been sleeping with somebody, or someone paid someone a lot of money, because this company was made to look very credible despite what the Better Business Bureau has to say and other people who have dealt with them and wrote about them on this website.



Submitted: 1/5/2009 9:59:12 PM  
Modified: 1/5/2009 10:07:55 PM

**Employee Insider**

## THEY ARE A BIIIIIGGGGGG SCAM!

Be. Productions a.k.a. My Artist's Place a.k.a. Gonnabe.com is definitely a SCAM!

I WORKED FOR THEM AND THEY ARE A SCAM. I was a 'talent director' with Be. I have no experience in the entertainment industry what so ever, all of my experience is in sales, from furniture to gym memberships. They advised me to come up with a phoney background to pitch to parents and kids to make myself seem more 'hollywood'. All of the 'talent directors' are sales people. I was let go of because I wasn't selling enough memberships a week. What could I do, I felt guilty pushing families into a dead end. They conduct at several 'callbacks' a day and break them down into small groups to make you feel like there was a cut and they conduct screen tests EVERY week! They call EVERYONE back as long as when you filled out the form at the screen test your income level fit the bill. Notice that letter they write at the top of your form then circle? That is a code letting the sales person a.k.a. 'talent director' know how much money you make and what tactic of sale to use on you and your family. This is 100% true and I wish I had never worked for a bunch of frauds like Be.

This company needs to be exposed for the scam they are. I remember seeing the scouts come in for interviews EVERY week with Danny and his girls, who are all also big frauds themselves. And the Buzz Band? The 'kids' in that band are actually a bunch of 20-somethings that are made up of the owner's daughter and her friends from school!!!! It is the only real interest the company has and the members' money all goes to funding their career and journey to discovery. The band sounds horrible too. It's all horrific. And they definitely DO NOT PAY THEIR EMPLOYEES!!!! That is why they

Interview for scouts every week!



Kay  
Antloch, California  
U.S.A.

Submitted: 5/24/2009 6:53:19 PM  
Modified: 5/24/2009 8:08:14 PM

### Consumer Comment

#### 7 on your side did an expose on Be Productions in Fall 2008

Be aware that '7 on your side' In San Fran did an expose type piece on Be productions In Fall of 2008....so don't see how they would do that if they are connected with them In a SCAM....Just info for you. Piece can be seen on line.



My Talent Service  
Los Angeles, California  
U.S.A.

Submitted: 6/19/2009 5:07:46 PM  
Modified: 6/19/2009 6:16:52 PM

### Ex-Employee

#### All past and present Be. Members

Many Be. members have asked us, "What is My Talent Service?" and/or "What happen to Be.?"

My Talent Service is the preferred customer service provider for Be.

My Talent Service is here to help service all existing members. We will assist ALL past and present members with their questions pertaining to showcasing, scheduling, event participation, talent improvement, website instruction, and inside industry information. Our job at My Talent Service is to help make your memberships a worthwhile experience for you and your family.

If you have any questions, comments, or concerns, please contact us at any of the emails or numbers listed below.

#### My Talent Service Contact Information

Customer Service: (310) 282-2914  
Office Fax: (310) 861-0638  
Scheduling Email: [talentservice@mytalentservice.com](mailto:talentservice@mytalentservice.com)

Liz

Email: [lizb@mytalentservice.com](mailto:lizb@mytalentservice.com)  
Office: (310) 282-9968  
Cell: (310) 488-5601

Cristina

Email: [cristinal@mytalentservice.com](mailto:cristinal@mytalentservice.com)  
Office: (310) 282-9962  
Cell: (310) 490-6653

Martin

Email: [martinh@mytalentservice.com](mailto:martinh@mytalentservice.com)  
Office: (310) 282-8836  
Cell: (310) 488-6285

Debbie

Email: [debram@mytalentservice.com](mailto:debram@mytalentservice.com)  
Office: (310) 282-9906  
Cell: (310) 433-1396



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## EXHIBIT 7

Home	TV Shows	Music	Film	Studios	About Be.	Customer Service	Talent Agents
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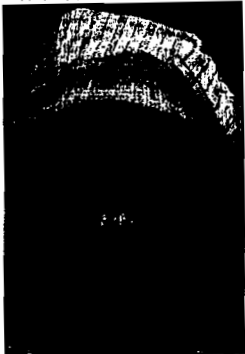


## Featured Members



JMcMasters

## More Featured Members



★ Christiansa Steenstra ♦ 5227  
07-20-2009



FASHION ON THE SQUARE  
KIDS | ADULTS

Username  Password  ☒ Remember me

[Register](#)

[Lost Password?](#)

## Looking for Talent?

### Browse Our Talent

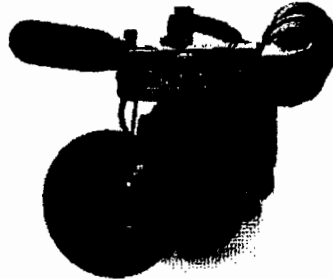
Would you like to look through all of our Talent to find just the perfect fit?  
[CLICK HERE](#)

### Talent Search

Looking for a specific criteria to meet your production needs? [CLICK HERE](#)

### AGENT / CASTING AGENT Registration

Are you interested in using our talent for an upcoming role in a Movie, Television Show, or Commercial? Do you think one of our kids would be great for your professional print catalog or advertisement? Do you have a need for some incredible dancers in your next production? Are you an Agent and you are interested in representing one or more of our kids? [CLICK HERE](#)



Sometimes, BIG ROLES require little actors...

## Newest Members

### Most Popular

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### Sitemap

## Be's Kids Television Shows



## The BUZZ



## Are You an AGENT Looking for Talent?

Looking for talent for your next big production? [CLICK HERE](#)

### Who's Online?

We have 3 guests and 4 members online

### Members Online

- Cynthia Paredes
- Janse C
- Shelley Thomas -Mosley
- stephanie isidro

Be. is the premiere website for children's talent.

Be. provides you access to thousands of the most talented and professionally trained kids in the business.

Be. allows you to post your job listing FREE and receive responses instantly.

**be.** allows you to browse our talent for the best professionally trained actors, singers, dancers & models.

GET YOUR AGENT PROFILE SET UP TODAY!

AGENTS CLICK HERE TO FIND YOUR TOP TALENT

**gonnabe.com**

The largest collection of small talent in the world.

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[ Back ]

**be.** **Last Updated Profiles**



Christlene Steenstra



Kristin Measerson



Amy Oliverio



Mary Oliverio



Jessica Snow



ANDREW J. MARTIN



Adrianna Mair



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## EXHIBIT 8



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## DEBT RECOVERY

Monterey has created the most effective and professional standards in managing and collecting debt. Our philosophy for recovering delinquent debt stems from customizing our collection procedures to meet our clients' needs, maintaining the most talented and skilled collectors in the industry, and strict quality assurance measures to protect the dignity of our agency and our clients.

Our procedures are tailored to meet the needs of our clients. Among our collection techniques, we offer skip tracing, letter series, unlimited phone calls, credit reporting, and many other services at no additional cost. If you are "shopping" for the best deal, don't forget to consider the old motto, "You get what you pay for." Agencies that appear to charge less may only be interested in "skimming the top." This is a common term used among agencies meaning they will collect the easiest of accounts and skip over the rest. When choosing Monterey, our clients are confident that we will work each account to conclusion and produce the best results possible.

Our professional collectors are the most talented in the industry. Training is never an issue with Monterey as our collectors have at least 5 years experience on average. Many agencies run collector "mills" and work your accounts with newly trained collectors who have not developed the talent of debt negotiation.

Undergoing various third party audits throughout the year, our records and procedures are constantly surveyed in order to improve our efficiency and performance. Our advance telecom and software systems provide you with the comfort of knowing your accounts are secure.

At Monterey, you are never left in the dark. Our clients also enjoy access to their account portfolios 24/7 with Web Access.

Contact our sales department today for a custom proposal and let us show you how we can deliver!

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